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JUL 02 2002

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

GROUP 3600

Applicant: Witold A. Ziarno

Serial No.: 09/173,109

Filed: October 15, 1998

Group: 3622

Examiner: John L. Young

Title: INTERNET LINKED COMPUTER PERIPHERAL, METHOD OF  
USING THE INTERNET LINKED COMPUTER  
PERIPHERAL, AND SYSTEM RELATED THERETO.

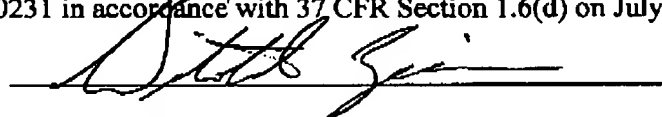
Official

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FACSIMILE COVER SHEET

## Certificate of Facsimile Transmission under 37 CFR 1.6(d)

I, Witold Ziarno, certify that this document and the documents referred to herein are being sent by facsimile transmission to: Assistant Commissioner for Patents, Washington, D.C. 20231 in accordance with 37 CFR Section 1.6(d) on July 2, 2002.



Witold A. Ziarno, Reg. No. 39,888

To: Assistant Commissioner for Patents  
SPE Stamber, and Examiner John L. Young, Art Unit 3622  
Washington, DC 20231

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Transmitting for filing: TRANSMITTAL SHEET FOR

Supplemental Demand for Evidence and Examiner Affidavit  
Pursuant to 37 C.F.R. Section 1.104(b)(2), and Supplemental Demand  
for Evidence and Examiner Affidavit Pursuant to 37 C.F.R. Section  
1.104(b)(2)

Number of Pages including cover sheet: 38

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND  
INTERFERENCES**

**GROUP 3600**

Inventor: Witold A. Ziarno

#16

Official

Serial No.: 09/173,109

Filed: October 15, 1998

Group: 3622

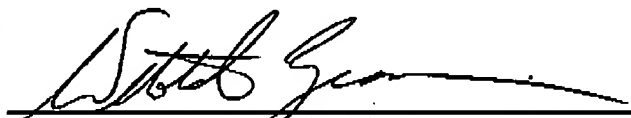
Examiner: John L. Young

Title: INTERNET LINKED COMPUTER PERIPHERAL, METHOD  
OF USING THE INTERNET LINKED COMPUTER  
PERIPHERAL, AND SYSTEM RELATED THERETO.

**CERTIFICATE OF TRANSMISSION 37 C.F. R 1.6(d)**

I certify that this correspondence and the documents referred to as attached herein are being transmitted by facsimile to the Assistant Commissioner for Patents, Washington, D.C. 20231 in conformance with 37 C.F.R. 1.6(d) on July 2, 2002.

Dated: July 2, 2002



Witold A. Ziarno  
Reg. No. 39,888

**TRANSMITTAL SHEET FOR**  
**Supplemental Demand for Evidence and Examiner Affidavit Pursuant**  
**to 37 C.F.R. Section 1.104(b)(2)**

Assistant Commissioner for Patents  
Washington, D.C. 20231

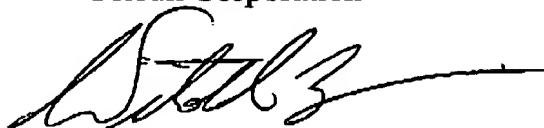
Sir:

Applicant submits this Supplemental Demand for Evidence and Examiner

Affidavit Pursuant to 37 C.F.R. Section 1.104(b)(2) in the above referenced case.

Respectfully submitted,

Pierun Corporation

A handwritten signature in black ink, appearing to read 'Witold A. Ziarno', with a long horizontal flourish extending to the right.

Witold A. Ziarno  
Reg. No. 39,888

Dated: July 2, 2002

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JUL 02 2002

GROUP 3600

#16

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
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Official

Applicant: Witold A. Ziarno  
Serial No.: 09/173,109  
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Dated: July 2, 2002



Witold A. Ziarno  
Reg. No. 39,888

Assistant Commissioner for Patents  
Washington, D.C. 20231

Sir:

**Supplemental Demand for Evidence and Examiner Affidavit Pursuant  
to 37 C.F.R. Section 1.104(b)(2)**

Applicant requests that the Examiner proffer an Affidavit pursuant to 37 C.F.R. Section 1.104(b)(2). The rejections of claims 21-41, in the above captioned case are, in part, based upon *purported* facts within the personal

knowledge of the Examiner (e.g. “concepts and advantages of which “official notice is taken” and items of *purported art* which are *alleged* to be “notoriously well known by one of ordinary skill in the art at the time of the invention). Yet, there is no evidence of record to support the Examiner’s assertion that the *purported* facts are *prior* art to the invention of record. Applicant traverses the Examiner’s assertion that the *purported* facts are *prior* art to the invention of record.

The Applicant demands that the Examiner’s reference to the *purported* prior art be supported by an Affidavit of the Examiner, including data as specific as possible under 37 C.F.R. Section 1.104(b)(2), including but not limited to dates for this *purported prior art*.

“When a rejection is based on facts within the personal knowledge of an employee of the Office, the data should be stated as specifically as possible, and the reference must be supported, when called for by the applicant, by the affidavit of such employee, and such affidavit shall be subject to contradiction or explanation by the affidavits of the applicant and other persons.” 37 C.F.R. Section 1.104(b)(2).

“When a rejection is based on facts within the personal knowledge of the examiner, the data should be stated as specifically as

possible, and the facts must be supported, when called for by the applicant, by an affidavit from the examiner." MPEP 2144.03.

The Applicant previously timely challenged the Examiner to provide evidence regarding the *purported prior* art. That is, the Examiner rejected claims 21-41 in the Office Action dated October 14, 2001 (Paper No. 11), in part, based upon the Examiner's *purported facts*. *Directly* in response to Paper No. 11, an Amendment dated *April 12, 2001* was filed ("Amendment"). A true and accurate copy of the relevant pages of the Amendment are attached hereto as A.

In the Amendment, Applicant seasonably traversed the Examiner's *purported* "facts" and *purported* "well known" statements as indicated in Chart One below. Applicant's seasonable challenge constituted a demand for evidence, and Applicant asserted that the Examiner failed to provide evidence to support the rejection in Paper No. 11. The Applicant stated that it was necessary for the Examiner to present evidence to support the rejections based upon these *purported* facts, and not simply proffer the Examiner's *purported* facts as shown in the chart below. Applicant challenged the Examiner and stated that the Examiner's *purported* facts were not evidence upon which a rejection could be properly based (e.g. were not *prior* art). "A challenge to the taking of judicial notice must contain

adequate information or argument to create on its face a reasonable doubt regarding the circumstances justifying the judicial notice.” MPEP 2144.03 (Citing *In re Boon*, 439 F.2d 724 (CCPA 1971). Clearly the Applicant’s challenges to the Examiner constitute adequate information and argument to create on its face a reasonable doubt regarding the circumstances justifying the judicial notice.

Chart One

| Claims | Applicant’s seasonable challenge and demand for evidence in Amendment with citation to Amendment page and line number   |
|--------|---|
| 21-23  | <p>“In order to establish a <i>prima facie</i> case of obviousness, it is necessary for the examiner to present evidence”<br/>Page 16, lines 9→10.</p> <p>“The Examiner’s ‘assumptions’ with respect to what was allegedly well known in the area of Internet shopping at the time the invention was made do not constitute art upon which a proper rejection can be based.” Page 15, lines 3.</p> <p>“Applicant argues that [] the examiner’s assumptions do not constitute the disclosure of the prior art. [] There is simply no teaching or suggestion for a smart card reading computer peripheral that solves the</p> |

|       |  |
|-------|--|
|       | <p>problems of Internet shopping by providing a smart card reader and a secure link as claimed by Applicant.”<br/>Page 15, lines 3→5 and 11→13.</p> <p>“There is no evidence or suggestion to use multiple encryption on a computer peripheral or encryption of credit or debit card information or using the method steps claim[ed] in the sequence claimed by Applicant.<br/><b><i>The Examiner’s rejection is based upon a lack of evidence.</i></b><br/>(Emphasis added. Page 16, lines 18→21.</p>   |
| 24-33 | <p>“The Examiner has produced no evidence [] of this claim recitation, including but not limited to the timing of the encryption or coding.”<br/>Page 20, lines 15→16.</p> <p>“The Examiner has produced no evidence of a suggestion of this claim recitation, including but not limited to the timing of the encryption or coding.”<br/>Page 21, lines 2→3.</p> <p>“The Examiner has produced no evidence of a suggestion of these claim recitations, including but not limited to the timing of the encryption or coding or the types of devices upon which these recitations are executed.”<br/>Page 21, lines 2→3.</p> |



|       |  |
|-------|--|
|       | "As stated above there is no factual support for the assertion the Examiner makes."<br>Page 26, line 6.  |
| 34-41 | "The Examiner has failed to supply any evidence to show that these elements of Applicant's claimed kit are taught or fairly suggested in the art of record, alone or in combination."<br>Page 28, lines 4-6. |

"When facts constituting the state of the art are normally subject to the possibility of rational disagreement among reasonable men, they are not amenable to the taking of [judicial] notice." *In re Eynde*, 480 F. 2d 1364, 1370 (CCPA 1973).

#### Conclusion

Applicant challenged the Examiner to present evidence to support the rejections of claims 21-41 of the instant application in the Amendment filed in response to Paper no. 11. The Examiner failed to present any evidence supporting the *purported* facts underlying the rejections of these claims, including but not limited to prior art references. "[A]llegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should [] be supported." *In re Ahlert*, 424 F. 2d 1088, 1091 (CCPA 1970). "The facts so noticed serve to 'fill the gaps' which might exist in the

evidentiary showing and should **not comprise the principle evidence upon which a rejection is based.**" MPEP 2144.03 (Emphasis added.)

Applicant *once again* calls for the Examiner to present hard, concrete evidence of the concepts and advantages of which "official notice is taken" and items of *purported art* which are *alleged* to be "notoriously well known by one of ordinary skill in the art at the time of the invention." Since the Examiner has previously failed to support his unsubstantiated allegations of what is prior art to the invention at hand with physical references, the Applicant respectfully requests that the Examiner support his unsubstantiated allegations in the form of an affidavit under 37 C.F.R. Section 1.104(b)(2).

The Examiner has failed to provide any concrete evidence in the record to support core factual findings of that which is alleged to be "basic knowledge" or "common sense." The Examiner has failed to satisfy the standard in In re Zurko, \_\_\_ F.3d \_\_\_ (Fed. Cir. 2001):

**[D]eficiencies of the cited references cannot be remedied by the Board's [and Examiner's] general conclusions about what is "basic knowledge" or "common sense" to one of ordinary skill in the art. [] We cannot accept these findings by the Board [or the Examiner]. This assessment of basic knowledge and common sense was not based on any evidence in the record and, therefore, lacks substantial evidence support. [] With respect to core factual findings in a determination of patentability, however, the Board [and**

**Examiner] cannot simply reach conclusions based on its own understanding or experience -- or on its assessment of what would be basic knowledge or common sense. Rather, the Board [or Examiner] must point to some concrete evidence in the record in support of these findings.<sup>2</sup> To hold otherwise would render the process of appellate review for substantial evidence on the record a meaningless exercise. Baltimore & Ohio R.R. Co. v. Aderdeen & Rockfish R.R. Co., 393 U.S. 87, 91-92 (1968) (rejecting a determination of the Interstate Commerce Commission with no support in the record, noting that if the Court were to conclude otherwise "[t]he requirement for administrative decisions based on substantial evidence and reasoned findings -- which alone make effective judicial review possible -- would become lost in the haze of so-called expertise"). Accordingly, we cannot accept the Board's [or Examiner's] unsupported assessment of the prior art.**

Similarly, the Examiner has failed to meet the evidentiary challenge of *In re Sang Su Lee*:

When patentability turns on the question of obviousness, the search for and analysis of the prior art includes evidence relevant to the finding of whether there is a teaching, motivation, or suggestion to select and combine the references relied on as evidence of obviousness. [] "The factual inquiry whether to combine references must be thorough and searching." Id. **It must be based on objective evidence of record.** This precedent has been reinforced in myriad decisions, and cannot be dispensed with. [] **The need for specificity pervades this authority.** [] **This factual question of motivation is material to patentability, and could not be resolved on subjective belief and unknown authority.** It is improper, in determining whether a person of ordinary skill would have been led to this combination of references, simply to "[use] that

which the inventor taught against its teacher." W.L. Gore v. Garlock, Inc., 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed. Cir. 1983). Thus the Board [and Examiner] must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion.[]

In its decision on Lee's patent application, the Board rejected the need for "any specific hint or suggestion in a particular reference" to support the combination of the Nortrup and Thunderchopper references. Omission of a relevant factor required by precedent is both legal error and arbitrary agency action. []

The "common knowledge and common sense" on which the Board relied in rejecting Lee's application are not the specialized knowledge and expertise contemplated by the Administrative Procedure Act. Conclusory statements such as those here provided do not fulfill the agency's obligation. This court explained in Zurko, 258 F.3d at 1385, 59 USPQ2d at 1697, that "deficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" The Board's findings must extend to all material facts and must be documented on the record, lest the "haze of so-called expertise" acquire insulation from accountability. "Common knowledge and common sense," even if assumed to derive from the agency's expertise, do not substitute for authority when the law requires authority. [] The case on which the Board relies for its departure from precedent, In re Bozek, 416 F.2d 1385, 163 USPQ 545 (CCPA 1969), indeed mentions "common knowledge and common sense," the CCPA stating that the phrase was used by the Solicitor to support the Board's conclusion

of obviousness based on evidence in the prior art. Bozek did not hold that common knowledge and common sense are a substitute for evidence, but only that they may be applied to analysis of the evidence. Bozek did not hold that objective analysis, proper authority, and reasoned findings can be omitted from Board decisions. Nor does Bozek, after thirty-two years of isolation, outweigh the dozens of rulings of the Federal Circuit and the Court of Customs and Patent Appeals that determination of patentability must be based on evidence. This court has remarked, in Smiths Industries Medical Systems, Inc. v. Vital Signs, Inc., 183 F.3d 1347, 1356, 51 USPQ2d 1415, 1421 (Fed. Cir. 1999), that Bozek's reference to common knowledge "does not in and of itself make it so" absent evidence of such knowledge.[]

The patent examiner and the Board are deemed to have experience in the field of the invention; however, this experience, insofar as applied to the determination of patentability, must be applied from the viewpoint of "the person having ordinary skill in the art to which said subject matter pertains," the words of section 103. In finding the relevant facts, in assessing the significance of the prior art, and in making the ultimate determination of the issue of obviousness, the examiner and the Board are presumed to act from this viewpoint. **Thus when they rely on what they assert to be general knowledge to negate patentability, that knowledge must be articulated and placed on the record.** The failure to do so is not consistent with either effective administrative procedure or effective judicial review. The board [and Examiner] cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.

There is no evidence of record to support the Examiner's assertion that the *purported* facts are prior art to the invention of record. Applicant once again traverses the Examiner's assertion that the *purported* facts are prior art to the invention of record, including but not limited to all of the Examiner's *purported prior art* concepts and advantages of which "official notice is taken" and items of *purported art* which are *alleged* to be "notoriously well known by one of ordinary skill in the art at the time of the invention."

Respectfully submitted,  
Pierun Corporation



Witold A. Ziarno  
Reg. No. 39,888

Dated: July 2, 2002

JUL-02-2002 06:58 FROM:

TO:

P.015

## Attachment A

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:

Applicant: Witold A. Ziarno

Serial No.: 09/173,109

Filed: October 15, 1998

Group: 2162

Examiner: John L. Young

Title: INTERNET LINKED COMPUTER PERIPHERAL, METHOD OF USING THE  
INTERNET LINKED COMPUTER PERIPHERAL, AND SYSTEM RELATED THERETO.

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Certificate of Mailing By First Class Mail 37 CFR 1.8(a)

Date of Deposit: April 12, 2001

I hereby certify that this Amendment and the documents referred to herein are being deposited with the United States Postal Service as First Class Mail under 37 C.F.R. 1.8(a) in an envelope with adequate postage thereon on the date indicated above, the envelope being addressed to the Assistant Commissioner of Patents, Washington, D.C. 20231.

  
Witold A. Ziarno

Assistant Commissioner for Patents  
Washington, D. C. 20231

AMENDMENT

Sir:

Please amend this application as follows:

IN THE ABSTRACT:

Delete the first sentence, and insert: -- A computer peripheral simplifies and



**REMARKS**

The Applicant respectfully traverses the Examiner's rejections of pending claims 21-36. The Examiner has not made out a *prima facie* case of obviousness under 35 USC Section 103(a), or a *prima facie* case under 35 USC Section 101 or 35 USC Section 112. As such, the Applicant respectfully asserts that all of the claims as presented are allowable over the art of record.

The Examiner states that inventors are not discouraged from prosecuting applications for letters patent; however, lack of skill in this field may serve as a liability in affording the maximum protection for the invention disclosed. The Applicant interprets this comment from the Examiner as stating that the claims that Applicant is entitled to should be broader than originally presented.

**DRAWINGS**

The Examiner states that this application has been filed with drawings that are considered informal and acceptable for examination purposes only. The Examiner further states that the proposed drawing correction and/or the proposed substitute sheets of drawings (FIG. 3) in Pre-Amendment B, paper #5, filed 10/15/1998 have been objected to because they have not been filed in a separate paper addressed to the draftsman. Applicant encloses herewith a separate paper addressed to the draftsman as requested by the Examiner.

**ABSTRACT**

The Examiner suggested that the first sentence of the abstract in Pre-Amendment B be deleted and that the second sentence should read: "A computer peripheral simplifies and safeguards the flow of monetary transaction information onto the Internet." Applicant has made this amendment as suggested by the Examiner.

**CLAIM REJECTIONS — 35 U.S.C. §112 ¶2**

The Examiner has failed to make out a *prima facie* rejection of claims 24-33 under 35 U.S.C. §112 ¶2. There is no basis in law or in fact to reject these claims since many claims must be implemented through the use of devices. Applicant's claims are no different. To not permit allowance of these types of claims is an error of law and contrary to claims that have been historically allowed by the patent office from its inception. The rejection of these claims under 35 U.S.C. §112 ¶2 is improper and should be withdrawn.

In support of his rejection of claims 24-33 the Examiner quotes the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

The Examiner further states that claims 24-33 are rejected as indefinite pursuant to 35 U.S.C. §112 ¶2 as being mixed "class" claims. The Examiner further states that claim 24 is a single claim which claims both the steps of using an apparatus, as well as claiming the apparatus. The Examiner further states that claim 24 is indefinite because as worded because the preamble of claim 24 "mixes" the introduction of a method with the introduction of an apparatus, i.e., the preamble of claim 24 introduces a method of entering monetary transaction information from credit or debit cards and the preamble of claim 24 also introduces either a smart card or magnetic striped card apparatus. The Examiner further asserts that the body of claim 24 mixes the steps of providing, capturing and safeguarding with apparatus elements of having a secure link, having a